

Message Text

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ACTION IO-14

INFO OCT-01 ISO-00 ABF-01 SS-15 SP-02 L-03 AF-10
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R 210000Z APR 78
FM USMISSION USUN NEW YORK
TO SECSTATE WASHDC 0844
INFO AMEMBASSY BONN
AMEMBASSY LONDON
AMEMBASSY OTTAWA
AMEMBASSY PARIS
USLO PEKING
AMEMBASSY TOKYO

C O N F I D E N T I A L SECTION 01 OF 03 USUN NEW YORK 01557

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E.O.11652:GDS
TAGS: AORG, MARR, PORG, SF, WA
SUBJECT: UN FINANCES: FINANCING UNTAG NAMIBIA

1. SUMMARY: IN VIEW POSSIBLE NEED FOR QUICK ACTION ON
NAMIBIA, USUN RECOMMENDS CONTINGENCY PREPARATION OF
LEGISLATIVE AUTHORIZATION AND APPROPRIATIONS REQUESTS FOR
US SHARE UNTAG FINANCING. SPECIAL SESSION OF GA IN MID-MAY
TO PROVIDE FINANCING FOR UNTAG MAY BE NECESSARY. US SHOULD
CONSIDER MAKING LUMP SUM PAYMENT OF ENTIRE BALANCE DUE FOR
1978-79 REGULAR ASSESSMENT IN EVENT TIMING OF US LEGIS-
LATIVE CYCLE FORESTALLS OBTAINING SPECIAL APPROPRIATIONS
FOR UNTAG ASSESSMENT. DEPARTMENT SHOULD INITIATE PLANNING
FOR FINANCING NON-REIMBURSABLE AIRLIFT. WITHHOLDINGS OF
UNTAG AND UNIFIL ASSESSMENTS BY TRADITIONAL NON-PAYERS
COULD PUSH UN DEFICIT TO \$270 - \$300 MILLION - 65 PERCENT
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UN'S CURRENT ANNUAL EXPENDITURE LEVEL - BY DECEMBER
31, 1978. THIS MESSAGE RESTS UPON A PROJECTION, ILLUS-
TRATIVE TO THE EXTENT THAT IT IS NOT PREDICTIVE, WHICH
ADVANCES CERTAIN CONTINGENCIES AND PLANNING OPTIONS FOR
FISCAL ARRANGEMENTS. END SUMMARY

2. IT IS UNLIKELY THAT SECURITY COUNCIL (SC) WILL FAVORABLY

CONSIDER WESTERN FIVE PLAN FOR NAMIBIA BEFORE EARLY MAY. IF PREPARATION OF SYG'S STUDY ON IMPLEMENTATION OF PLAN WERE TO REQUIRE ON THE SPOT VISIT BY SECRETARIAT REPRESENTATIVES, SC COULD NOT RECEIVE SYG'S REPORT UNTIL AT LEAST ONE WEEK AFTER SC DIRECTS ITS PREPARATION. FORMAL SC AUTHORIZATION FOR PLAN UNLIKELY PRIOR MID-MAY.

3. ASSUMING SYG'S PLAN ADHERES CLOSELY TO TIMETABLE CONTAINED IN DOCUMENT S/12636, UNTAG WILL INCUR MAJOR EXPENDITURES IN ITS EARLY STAGES. SYG'S UNFORESEEN AND EMERGENCY EXPENDITURE AUTHORITY CONTAINED IN RESOLUTION 32/214, WHICH ACTION OF THE 8TH SPECIAL SESSION OF THE GENERAL ASSEMBLY SHOULD RESTORE, WILL VERY QUICKLY BE EXHAUSTED. ASSUMING UNTAG COSTS AVERAGE BETWEEN TEN AND SIXTEEN MILLION DOLLARS PER MONTH, IT WILL BE ESSENTIAL TO CONVENE A SPECIAL SESSION OF THE GENERAL ASSEMBLY SOON AFTER SECURITY COUNCIL ADOPTS PLAN. FROM A PROCEDURAL STANDPOINT, THIS WOULD NOT BE EASY TO DO DURING THE PERIOD MAY 23 - JUNE 28 INCLUSIVE, WHEN THE SSOD WILL BE IN SESSION. IT IS YET TOO EARLY TO ASSESS DEGREE TO WHICH POLITICAL FACTORS MIGHT FACILITATE (OR COMPLICATE) ARRANGING SUCH A SESSION. MAY 18 AND 19 WOULD APPEAR TO BE LAST POSSIBLE, BUT PROBABLY THE EARLIEST FEASIBLE, DATES FOR SPECIAL GENERAL ASSEMBLY ON UNTAG FINANCING PRIOR TO SSOD. THIS TIMETABLE WOULD ENTAIL SOME DIFFICULTY IN ARRANGING FOR ADVISORY COMMITTEE (ACABQ) REVIEW OF CONFIDENTIAL

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ESTIMATES, SINCE THAT BODY IS TO BEGIN BIENNIAL HEARINGS IN GENEVA MAY 2 AND WILL PROCEED TO BANGKOK FOR HEARINGS THERE BEFORE RETURNING TO NEW YORK MAY 30.

4. TALKING POINTS OF THE WESTERN FIVE ON FINANCING UNTAG SO FAR HAVE HEWED TO THE LINE THAT THEY SHOULD BE ASSESSED ACCORDING TO REGULAR SCALE. THIS, OF COURSE, IS IN LINE WITH BASIC US POSITION REGARDING FINANCING UN PEACEKEEPING OPERATIONS. REALISTICALLY, HOWEVER, USUN BELIEVES WE SHOULD ANTICIPATE MEMBER STATES WILL WISH TO ASSESS LDCS LESS HEAVILY FOR COSTS OF UNTAG. ON POLITICAL SIDE, LDCS COULD ARGUE THAT NAMIBIA REPRESENTS VESTIGE OF WESTERN COLONIALISM FOR WHICH DCS (ALL LOOSELY VIEWED BY LDCS AS "WESTERN") SHOULD ACCEPT RESPONSIBILITY BY BEARING AN EXTRA SHARE OF UNTAG'S COST. ON PRACTICAL SIDE, MORE FREQUENTLY REDUCED (I.E. UNEF/UNDOF) SCALE IS APPLIED TO UN PEACE AND SECURITY OPERATIONS, MORE ESTABLISHED THIS PRACTICE BECOMES. ADOPTION THIS SCALE FOR UNIFIL ADDS STATUS TO THIS PRECEDENT, ESPECIALLY AMONG G-77. USUN BELIEVES DEPARTMENT SHOULD MAKE BASIC POLICY DECISION NOW TO ACCEPT AS COMPROMISE MIDDLE EAST PEACEKEEPING SCALE FOR PURPOSES OF APPORTIONING COSTS OF UNTAG,

SUBJECT TO SUCH CONSULTATIONS WITH OTHER MEMBERS CONTACT
GROUP AS SEEM APPROPRIATE.

5. IN VIEW OF PUBLIC LAW 94/544, ELECTION BY DEPARTMENT TO
ACCEPT PEACE AND SECURITY SCALE FOR UNTAG WILL REQUIRE
SPECIAL AUTHORIZATION FROM CONGRESS. USUN RECOMMENDS
DRAFTING OF PROPOSED LEGISLATION, TOGETHER WITH SUPPORTING
DOCUMENTATION, BE INITIATED ON CONTINGENCY BASIS NOW.
(AS A PRECAUTION, DEPARTMENT MAY WISH TO FRAME PROPOSED
LEGISLATION REQUEST SO AS TO ALLOW ITS USE FOR ANY

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PEACE AND SECURITY OPERATION THAT MIGHT DEVELOP IN
RHODESIA.)

6. ASSUMING A NINE MONTH OPERATION IN NAMIBIA, US SHARE OF
ASSESSED COSTS COULD RUN FROM 30 TO 50 MILLION DOLLARS.
DEPARTMENT'S 1978 SUPPLEMENTAL REQUEST NOW BEFORE CONGRESS
WOULD BE MOST DESIRABLE VEHICLE FOR OBTAINING AN
APPROPRIATION IN ESTIMATED AMOUNT REQUIRED FOR UNTAG.
BY SUCH TIME AS ESTIMATED COST FIGURES OF ANY SORT ARE
AVAILABLE PUBLICLY FROM THE SECRETARIAT, I.E. ABOUT MAY 3,
IT MAY BE DIFFICULT ATTACH THEM TO '78 SUPPLEMENTAL.
USUN WOULD APPRECIATE DEPARTMENT'S VIEWS ON THIS

POINT.

7. IN EVENT '78 SUPPLEMENTAL REQUEST COULD NOT BE USED,
WHAT POSSIBILITIES ARE THERE OF SUBMITTING SUPPLEMENTAL
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REQUEST TO THE DEPARTMENT'S FY79 APPROPRIATIONS' REQUEST
DURING CURRENT SESSION OF CONGRESS? IN THE EVENT THAT A
SUPPLEMENTAL REQUEST TO THE DEPARTMENT'S FY79 APPROPRI-
ATIONS REQUEST COULD NOT BE SUBMITTED BEFORE JANUARY 1979,
USUN WOULD APPRECIATE DEPARTMENT'S BEST ESTIMATE OF DATE
BY WHICH FUNDS COULD BE AVAILABLE. AS LAST AND OBVIOUSLY
LEAST DESIRABLE RESORT, OF COURSE, REQUEST FOR US SHARE
OF NAMIBIA OPERATION COULD BE INCLUDED IN DEPARTMENT'S
FY80 APPROPRIATIONS REQUEST, BUT FUNDS FOR US SHARE OF
UNTAG ASSESSMENT THEN WOULD NOT BE AVAILABLE FOR PAYMENT
TO UN UNTIL AFTER OCTOBER 1, 1979, AT LEAST SIX MONTHS
AND POSSIBLY MORE AFTER OPERATION WOULD HAVE BEEN
COMPLETED.

8. IN THE EVENT THAT TIMING OF SECURITY COUNCIL AND
GENERAL ASSEMBLY ACTION IS SO DELAYED THAT IT WILL NOT
BE POSSIBLE TO OBTAIN FUNDING FROM CONGRESS FOR US SHARE
OF NAMIBIA OPERATIONS UNTIL MID OR LATE 1979, DEPARTMENT
SHOULD EXPLORE POSSIBILITY OF PAYING AS SOON AFTER OCTOBER
1, 1978 AS OMB APPORTIONMENT OF FY79 APPROPRIATION IS
AVAILABLE, ENTIRE OUTSTANDING AMOUNT US 78-79 REGULAR
ASSESSMENT DUE AT LEAST THROUGH SEPTEMBER 30, 1979, IF
NOT DECEMBER 31, 1979. THIS WOULD PROVIDE CASH TO HELP UN
MEET ITS LIQUIDITY REQUIREMENTS FROM OCTOBER 1, 1978 UNTIL
US PAYMENTS FOR UNTAG ASSESSMENT BECOME AVAILABLE IN
LATTER PART OF 1979. UN'S RECEIPTS FROM UNIFIL ASSESSMENT
SHOULD BE COMING IN DURING PERIOD UNTAG IS STARTING UP,
I.E. JUNE - SEPTEMBER 1978. IF UN CAN DEFER PAYMENT OF
SUFFICIENT AMOUNT OF UNIFIL AND UNTAG OBLIGATIONS COMBINED
UNTIL UNTAG ASSESSED PAYMENTS ALSO START COMING IN LATER
IN 1978, IT MAY BE ABLE TO STRETCH ITS CASH BARELY TO
COVER CRITICALLY ESSENTIAL OUTGO FOR BOTH REGULAR AND
PEACEKEEPING EXPENSES.

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9. SINCE US PAYMENT IS SUCH AN IMPORTANT COMPONENT OF
UN'S CASH RECEIPTS, USUN BELIEVES CONTINGENCY PLANNING
TO MEET PROBABLE REQUIREMENTS UNDER OPTIMUM POLITICAL
CONDITIONS FOR SECURITY COUNCIL ACTION SHOULD BE INITIATED

PROMPTLY. CAREFUL PLANNING NOW WILL ALLEVIATE APPEALS FOR INITIAL VOLUNTARY CASH CONTRIBUTION BY US, WHICH INEVITABLY CIRCULATE WHENEVER UN INITIATES NEW PEACE-KEEPING OPERATIONS. SUCH VOLUNTARY CONTRIBUTIONS BY US, OF COURSE, SERVE ONLY TO CAMOUFLAGE BASIC RESPONSIBILITY OF TRADITIONAL WITHHOLDERS OF LEGAL UN ASSESSMENTS. IN PLANNING FOR UNTAG FINANCING, DEPARTMENT SHOULD RECOGNIZE AS WELL THAT INITIATION OF EACH ADDITIONAL UN PEACEKEEPING OPERATION HASTENS ARRIVAL OF UN'S FINANCIAL EMERGENCY. UNDER PEACE AND SECURITY SCALE, "WITHHOLDINGS FOR PRINCIPLE" BY VARIOUS COUNTRIES USUALLY AMOUNT TO APPROXIMATELY 30 PERCENT OF TOTAL ASSESSED COSTS. IN THE CASE OF UNIFIL, THIS COULD BE IN THE NEIGHBORHOOD OF 20 TO 30 MILLION DOLLARS AND IN THE CASE OF UNTAG FROM 27 TO 45 MILLION DOLLARS. IF ADDED TO \$190 MILLION SO FAR WITHHELD FOR VARIOUS REASONS OF PRINCIPLE, TOTAL WITHHOLDINGS OF ASSESSED PAYMENTS FROM THE UN COULD RUN FROM \$270 TO \$300 MILLION - WELL OVER 65 PERCENT OF NET ANNUAL UN EXPENDITURES UNDER THE UN'S CURRENT PROGRAM BUDGET - BY END OF 1978.

10. PRESUMABLY, THE US WILL AGAIN, AS IT NORMALLY DOES IN UN PEACEKEEPING OPERATIONS, PROVIDE INITIAL AIRLIFT ON NON-REIMBURSIBLE BASIS FOR UNTAG CIVIL AND MILITARY PERSONNEL AS OUR VOLUNTARY CONTRIBUTION TO THE OPERATION. THERE MAY BE EVEN CHANCE THAT WALVIS BAY WILL BE AVAILABLE TO UN FORCES FOR LANDING BY SURFACE AND SEALIFT RESUPPLY OF UNTAG. EVEN WITH AVAILABILITY

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WALVIS BAY, HOWEVER, INITIAL AIRLIFT REQUIREMENT MAY BE
QUITE HIGH. THIS WILL ENTAIL DETERMINATION WHETHER
DEPARTMENT OR DOD SHOULD SEEK APPROPRIATION FROM CONGRESS
TO COVER COST OF AIRLIFT. ASSUMING THERE IS NO
IMMEDIATE STATUTORY IMPEDIMENT TO DOD SEEKING REIMBURSE-
MENT RATHER THAN STATE, IT MAY BE ADVANTAGEOUS TO
INITIATE NEGOTIATIONS ON CONTINGENCY BASIS RATHER THAN
AWAIT FINAL ACTION BY SECURITY COUNCIL.

11. USUN WOULD WELCOME GUIDANCE REGARDING ANY ADDITIONAL
INFORMATION DEPARTMENT MAY REQUIRE TO EXPEDITE PLANNING
PROPOSED ABOVE. YOUNG

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Review Release Event: n/a
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Review Withdrawn Fields: n/a
SAS ID: 2883280
Secure: OPEN
Status: NATIVE
Subject: UN FINANCES: FINANCING UNTAG NAMIBIA
TAGS: AORG, MARR, PORC, SF, WA, US, UNTAG-UN TRANSITION ASSISTANCE GROU
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